

## MEDICARE ALPHABET SOUP DECODED

Quick Reference Guide by Belinda Hawkins, BHawkins Consulting STOP

BEING CONFUSED BY MEDICARE JARGON!

THE MEDICARE BASICS (What You Actually Need to Know)

### MEDICARE PART A - "HOSPITAL INSURANCE"

What it covers: Hospital stays, skilled nursing facility care, hospice, some home health Cost:

FREE for most people (you paid into it through payroll taxes) When you get it: Automatically at 65

if you're getting Social Security Deductible: \$1,676 per benefit period (2025)

Reality check: This does NOT cover long-term nursing home care!

### MEDICARE PART B - "MEDICAL INSURANCE"

What it covers: Doctor visits, outpatient care, medical equipment, preventive services Cost:

\$185.00 /month standard (2025) - higher earners pay more

When you get it: You have to SIGN UP during your Initial Enrollment Period

Deductible: \$257 per year (2025)

Reality check: If you don't sign up when first eligible, you'll pay penalties FOREVER!

### MEDICARE PART C - "MEDICARE ADVANTAGE"

What it is: Private insurance that REPLACES Parts A & B (and usually includes Part D) Cost:

Often \$0 premium, but watch those copays and networks!

The catch: You're locked into their network of doctors and hospitals Reality check: That "\$0

premium" marketing is misleading - you'll pay in other ways!

### MEDICARE PART D - "PRESCRIPTION DRUG COVERAGE"

What it covers: Prescription medications

Cost: Varies by plan (\$0-\$100+ per month)

The "donut hole": Coverage gap where you pay more until catastrophic coverage kicks in

Reality check: If you don't get this when first eligible, penalties add up FAST!

## MEDIGAP (MEDICARE SUPPLEMENT INSURANCE)

WHAT IT IS: Private insurance that fills the "gaps" in Original Medicare (Parts A & B)

THE PLANS (They're standardized by letter):

- Plan A: Basic coverage
- Plan B: Plan A + Part A deductible
- Plan C: Most comprehensive (not available to new Medicare beneficiaries after 2020) • Plan D:

Like Plan C but without excess charges coverage

- Plan F: Most popular comprehensive plan (not available to new beneficiaries after 2020)
- Plan G: Like Plan F but you pay Part B deductible (MOST POPULAR NOW) •

Plan K & L: Lower premiums, higher out-of-pocket costs

- Plan M: Like Plan D but pays 50% of Part A deductible
- Plan N: Lower premiums, some copays for doctor visits

BELINDA'S REALITY CHECK: Plans C and F aren't available if you became eligible for Medicare after January 1, 2020. Plan G is usually your best bet now.

THE DECISION: ORIGINAL MEDICARE + MEDIGAP vs. MEDICARE ADVANTAGE  
ORIGINAL MEDICARE + MEDIGAP + PART D:

Pros: See any doctor who accepts Medicare, predictable costs, comprehensive coverage Cons:  
Higher monthly premiums, three separate pieces to manage

MEDICARE ADVANTAGE (Part C):

Pros: Often lower monthly premiums, everything bundled together, extra perks Cons: Limited to  
plan's network, costs can be unpredictable, coverage can change yearly

MEDICARE JARGON BUSTER

BENEFIT PERIOD: Starts when you enter the hospital, ends when you've been out 60 days

COINSURANCE: Your share of costs (like 20% after you meet your deductible) COPAYMENT

(COPAY): Fixed amount you pay for services (like \$25 for a doctor visit) CREDITABLE

COVERAGE: Prescription drug coverage that's as good as Medicare Part D DEDUCTIBLE:

Amount you pay before insurance kicks in

DONUT HOLE (Coverage Gap): Part D coverage gap where you pay more for drugs

EXCESS CHARGES: When doctors charge more than Medicare's approved amount (up to 15%  
more)

FORMULARY: List of prescription drugs covered by your Part D plan GUARANTEED

ISSUE: Times when you can buy Medigap without health questions

INITIAL ENROLLMENT PERIOD: 7-month period when you first become eligible for Medicare

LIFETIME RESERVE DAYS: 60 extra hospital days you can use once in your lifetime MEDICARE

ADVANTAGE OPEN ENROLLMENT: Jan 1 - Mar 31 (can make ONE change) MEDICARE OPEN

ENROLLMENT: Oct 15 - Dec 7 (when you can change plans) NETWORK: Doctors, hospitals, and

providers that work with your insurance plan OUT-OF-POCKET MAXIMUM: Most you'll pay in a

year (Medicare Advantage plans only) PREMIUM: Monthly amount you pay for insurance

PRIOR AUTHORIZATION: Insurance approval needed before getting certain services

**QUALIFYING LIFE EVENT:** Major life change that lets you change insurance outside open enrollment

SPECIAL ENROLLMENT PERIOD: Time outside open enrollment when you can make changes

SUPPLEMENTAL BENEFITS: Extra perks some Medicare Advantage plans offer (like dental, vision)

ENROLLMENT PERIODS (WHEN YOU CAN ACTUALLY DO SOMETHING)

#### INITIAL ENROLLMENT PERIOD (IEP):

- When: 3 months before your 65th birthday, your birthday month, and 3 months after
- What: Sign up for Medicare Parts A, B, and D

#### GENERAL ENROLLMENT PERIOD:

- When: January 1 - March 31 (if you missed your IEP)
- What: Sign up for Parts A and B (coverage starts July 1)
- Reality check: You'll pay late enrollment penalties!

#### MEDICARE OPEN ENROLLMENT:

- When: October 15 - December 7
- What: Change Medicare Advantage or Part D plans
- Coverage starts: January 1

#### MEDICARE ADVANTAGE OPEN ENROLLMENT:

- When: January 1 - March 31
- What: Make ONE change to Medicare Advantage or back to Original Medicare

#### SPECIAL ENROLLMENT PERIODS:

- When: After qualifying life events (moving, losing coverage, etc.)
- What:

Make changes outside regular enrollment periods

#### COSTS THAT SHOCK PEOPLE (The Stuff They Don't Tell You)

#### LATE ENROLLMENT PENALTIES:

- Part B: 10% penalty for each 12-month period you were eligible but didn't enroll • Part D: 1% penalty for each month you were without creditable coverage • Reality check: These penalties are FOR LIFE!

#### INCOME-RELATED MONTHLY ADJUSTMENT AMOUNT (IRMAA):

- If you make over \$103,000 (single) or \$206,000 (married), you pay MORE for Parts B and D
- This is based on your tax return from 2 years ago

#### MEDICARE PART A COSTS (if you don't qualify for premium-free):

- Up to \$518 /month **if you have less than 30 quarters of work history**

#### **BELINDA'S NO-BS BOTTOM LINE**

DON'T let the alphabet soup confuse you into making bad decisions

DON'T trust anyone who calls you unsolicited about Medicare

DON'T assume "free" means better

DO your homework during open enrollment

DO understand what you're actually paying for

DO ask questions until you get straight answers

The insurance companies WANT you confused. When you're confused, you make decisions based on fear or flashy marketing instead of facts.

Take control. Do the research. Make informed choices.

Your future self will thank you.

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